

**SUMMARIZED MINUTES
SCOTTSDALE CITY COUNCIL
MONDAY, MAY 15, 2006**



**CITY HALL KIVA
3939 N. DRINKWATER BOULEVARD
SCOTTSDALE, AZ 85251**

CALL TO ORDER

Mayor Manross called to order a Regular Meeting of the Scottsdale City Council on Monday, May 15, 2006 in the City Hall Kiva at 5:33 P.M.

ROLL CALL

Present: Mayor Mary Manross
Vice Mayor Ron McCullagh
Council Members Betty Drake, Wayne Ecton, W.J. "Jim" Lane,
Robert Littlefield, and Kevin Osterman

Also Present: City Manager Jan Dolan
City Attorney Deborah Robberson
City Clerk Carolyn Jagger

PLEDGE OF ALLEGIANCE - Troop #226, Troop Leader Susan House

INVOCATION - Pastor David Hodgson, Congregational Church of the Valley, and visitor Archbishop Antony of the Ukrainian Orthodox Church

APPOINTMENTS - Approve the Appointment of City Court Pro Tem Judges for the period of May 15, 2006 through May 15, 2008.

COUNCILMAN LANE MOVED TO APPROVE THE APPOINTMENT OF THE FOLLOWING LISTING OF INDIVIDUALS AS CITY COURT PRO TEM JUDGES FOR THE PERIOD OF MAY 15, 2006 THROUGH MAY 15, 2008. COUNCILMAN OSTERMAN SECONDED THE MOTION, WHICH CARRIED 7-0.

(Appointments: Charles J. Adornetto, David F. Alexander, Mary Jo Theresa Barsetti, Florence M. Bruemmer, Robert J. Campos, G. Mark Cord, James Vance Emery, Douglas C. Erickson, Timothy A. Forshey, Cynthia Elaine Gonzales, Robert C. Howard, Jr., Janet B. Hutchison, Ivy L. Kushner, Alicia Marie Lawler, Harold J. Merkow, Kevin D. Neal, Peter C. Reinsteint, Ronald S. Reinsteint, Ray A. Taylor, Michael G. Wales, Debra A. Weecks, Robert I. Worth)

NOTE IN ACCORDANCE WITH PROVISIONS OF THE ARIZONA REVISED STATUTES THE SUMMARIZED MINUTES OF CITY COUNCIL MEETINGS ARE NOT VERBATIM TRANSCRIPTS. ONLY THE ACTIONS TAKEN AND DISCUSSION APPEARING WITH QUOTATION MARKS ARE VERBATIM. DIGITAL RECORDINGS OF CITY COUNCIL MEETINGS ARE ON FILE IN THE CITY CLERK'S OFFICE.

PUBLIC COMMENT

Solange Whitehead, 13281 N 99th Pl, 85260, urged support of Proposition 402.

CONSENT AGENDA ITEMS 1-19

ITEM 14 WAS REMOVED FROM THE CONSENT AGENDA. ITEM 17 WAS REMOVED FROM THE AGENDA PRIOR TO THE MEETING AND WILL BE PLACED ON A FUTURE COUNCIL MEETING AGENDA.

1. **Frank & Lupe's Old Mexico Permanent Extension of Premises**
 Request: Consider forwarding a recommendation to the Arizona Department of Liquor Licenses and Control for a permanent extension of premises for an existing restaurant.
 Location: 4121 N. Marshall Way
 Reference: 15-EX-2006
 Staff Contact(s): Frank Gray, Planning and Development Services General Manager, 480-312-2890, fgray@scottsdaleaz.gov; Connie Padian, Chief Customer Service Officer, 480-312-2664, cpadian@scottsdaleaz.gov
2. **3 Palms Resort Oasis (Hotel/Motel) Liquor License**
 Request: Consider forwarding a recommendation to the Arizona Department of Liquor Licenses and control for a series 11 (hotel/motel) liquor license for an existing location.
 Location: 7707 E. McDowell Road
 Reference: 22-LL-2006
 Staff Contact(s): Frank Gray, Planning and Development Services General Manager, 480-312-2890, fgray@scottsdaleaz.gov; Connie Padian, Chief Customer Service Officer, 480-312-2664, cpadian@scottsdaleaz.gov
3. **Methode Bistro (Restaurant) Liquor License**
 Request: Consider forwarding a recommendation to the Arizona Department of Liquor Licenses and Control for a series 12 (restaurant) liquor license for an existing location.
 Location: 6204 N. Scottsdale Road, #106
 Reference: 23-LL-2006
 Staff Contact(s): Frank Gray, Planning and Development Services General Manager, 480-312-2890, fgray@scottsdaleaz.gov; Connie Padian, Chief Customer Service Officer, 480-312-2664, cpadian@scottsdaleaz.gov
4. **Pink Taco (Restaurant) Liquor License**
 Request: Consider forwarding a recommendation to the Arizona Department of Liquor Licenses and Control for a series 12 (restaurant) liquor license for a new location.
 Location: 7135 E. Camelback Road, Suite 125
 Reference: 25-LL-2006
 Staff Contact(s): Frank Gray, Planning and Development Services General Manager, 480-312-2890, fgray@scottsdaleaz.gov; Connie Padian, Chief Customer Service Officer, 480-312-2664, cpadian@scottsdaleaz.gov

Mayor Manross opened public testimony.

Mary Beth Hollmann, 3137 N 70th St, 85250, requested that Council deny the liquor license because she finds the name offensive and does not believe it serves the best interest of the community.

Mayor Manross closed public testimony.

5. Julio G's (Restaurant) Liquor License

Request: Consider forwarding a recommendation to the Arizona Department of Liquor Licenses and Control for a series 12 (restaurant) liquor license for an existing location.

Location: 7633 E. Indian School Road

Reference: 26-LL-2006

Staff Contact(s): Frank Gray, Planning and Development Services General Manager, 480-312-2890, fgray@scottsdaleaz.gov; Connie Padian, Chief Customer Service Officer, 480-312-2664, cpadian@scottsdaleaz.gov

6. Bakery Café at El Pedregal (Beer and Wine Bar) Liquor License

Request: Consider forwarding a recommendation to the Arizona Department of Liquor Licenses and Control for a person transfer of a series 7 (beer and wine bar) liquor license for an existing location.

Location: 34505 N. Scottsdale Road

Reference: 27-LL-2006

Staff Contact(s): Frank Gray, Planning and Development Services General Manager, 480-312-2890, fgray@scottsdaleaz.gov; Connie Padian, Chief Customer Service Officer, 480-312-2664, cpadian@scottsdaleaz.gov

7. The Wine Studio (Beer and Wine Bar) Liquor License

Request: Consider forwarding a recommendation to the Arizona Department of Liquor Licenses and Control for a person transfer of a series 7 (beer and wine bar) liquor license for an existing location.

Location: 7337 E. Shea Boulevard

Reference: 29-LL-2006

Staff Contact(s): Frank Gray, Planning and Development Services General Manager, 480-312-2890, fgray@scottsdaleaz.gov; Connie Padian, Chief Customer Service Officer, 480-312-2664, cpadian@scottsdaleaz.gov

8. Julio's Too (Restaurant) Liquor License

Request: Consider forwarding a recommendation to the Arizona Department of Liquor Licenses and Control for a series 12 (restaurant) liquor license for an existing location.

Location: 7305 E. Camelback Road

Reference: 30-LL-2006

Staff Contact(s): Frank Gray, Planning and Development Services General Manager, 480-312-2890, fgray@scottsdaleaz.gov; Connie Padian, Chief Customer Service Officer, 480-312-2664, cpadian@scottsdaleaz.gov

9. Boulders Resort (Hotel/Motel) Liquor License

Request: Consider forwarding a recommendation to the Arizona Department of Liquor Licenses and Control for a series 11 (hotel/motel) liquor license for an existing location.

Location: 34631 N. Tom Darlington Road, Building A

Reference: 31-LL-2006

Staff Contact(s): Frank Gray, Planning and Development Services General Manager, 480-312-2890, fgray@scottsdaleaz.gov; Connie Padian, Chief Customer Service Officer, 480-312-2664, cpadian@scottsdaleaz.gov

10. Tanner's (Restaurant) Liquor License

Request: Consider forwarding a recommendation to the Arizona Department of Liquor Licenses and Control for a person and location transfer of a series 6 (bar) liquor license for an existing location that previously operated with a series 12 (restaurant) license.

Location: 6990 E. Shea Boulevard, Suite 101

Reference: 76-LL-2005

Staff Contact(s): Frank Gray, Planning and Development Services General Manager, 480-312-2890, fgray@scottsdaleaz.gov; Connie Padian, Chief Customer Service Officer, 480-312-2664, cpadian@scottsdaleaz.gov

11. Tanner's Conditional Use Permit

Requests:

1. Approve a conditional use permit for a bar in an existing 4,000 +/- square foot building located at 6990 E. Shea Boulevard, Suite 101, with Central Business District (C-2) zoning.
2. Adopt Resolution No. 6893 affirming the conditional use permit.

Related Policies, References:

- The area was annexed by the City in 1963.
- Case 5-ZN-83 rezoned the 40+/- acre Agua Caliente property, south of this site in 1983.
- Case 29-DR-1988 gave development approval for the Agua Caliente Shopping Center.

Location: 6990 E. Shea Boulevard

Staff Contact(s): Frank Gray, General Manager Planning and Development Services, 480-312-2890, fgray@scottsdaleaz.gov; Randy Grant, Chief Planning Officer, 480-312-7995, rgrant@scottsdaleaz.gov

12. Scottsdale Foothills Condominiums GLO Abandonment

Requests:

1. Abandon 66-foot GLO easement at the approximate location of the N. 92nd Place alignment.
2. Abandon 66-foot GLO easement at the approximate location of the N. 93rd Street alignment.
3. Abandon west 33-foot GLO easement at the approximate location of the N. 93rd Place alignment.
4. Abandon the north 33-foot GLO easement at the approximate location of the E. Gelding Drive alignment.
5. Adopt Resolution No. 6895 vacating and abandoning a public right-of-way.

References: 123-DR-1987, 49-ZN-1984, 55-ZN-1984

Location: 9259 E. Raintree Drive

Staff Contact(s): Frank Gray, General Manager Planning and Development Services, 480-312-2890, fgray@scottsdaleaz.gov; Randy Grant, Chief Planning Officer, 480-312-7995, rgrant@scottsdaleaz.gov

13. Term Length of Associate City Judges

Request: Adopt Ordinance No. 3678, amending Chapter 9 of the Scottsdale Revised Code, relating to the City Court, to change the term of appointments of Associate City Judges and to add clarifying definitions.

Related Policies, References:

- Scottsdale Revised Code Sections 9-1 (Definitions) and 9-2 (Judges generally).
- Scottsdale Revised Code Sections 2-346 through 2-360 (Judicial Appointments Advisory Board). Article 11, Section 2, Scottsdale City Charter, relating to the City Judge. Article 13, Section 2, Arizona Constitution.

Staff Contact(s): Neal Shearer, Assistant City Manager, 480-312-2604, nshearer@scottsdaleaz.gov; Teri Traaen, Human Resources General Manager, 480-312-2615, ttraaen@scottsdaleaz.gov

14. Comprehensive Financial Policies for Financial Planning and Management

REMOVED FROM CONSENT AGENDA FOR SEPARATE DISCUSSION. SEE PAGE 6.

15. Rose Garden Parking Lot Development Agreement Amendment

Request: Adopt Resolution No. 6901 authorizing Agreement No. 2005-121-COS-A1, an amendment to the existing development agreement between the City and Rose Garden Partners LLC relating to the development of the City-owned Rose Garden parking lot at the northwest corner of Goldwater Boulevard and 5th Avenue and adjacent developer-owned property along 5th Avenue and the Canal.

Related Policies, References:

- July 5, 2005 City Council approval of Resolution No. 6699 and the original Rose Garden Development Agreement, 2005-121-COS
- March 8, 2005 City Council authorization to enter into an Exclusive Right to Negotiate period with Rose Garden Partners LLC
- April 5, 2004 City Council authorization to issue RFPs for possible development of four downtown parking lots
- Downtown Vision Principles, adopted February, 2002

Staff Contact(s): David Roderique, General Manager, Economic Vitality Department, 480-312-7601, droderique@scottsdaleaz.gov

16. Feasibility Study for South Freeway Frontage Road, Hayden Road to Princess Drive, and Freeway Interchange Improvements at Pima Road

Request: Adopt Resolution No. 6877 authorizing the Mayor to execute Engineering Services Contract 2006-024-COS with Parsons Transportation Group, Inc., in an amount not to exceed \$89,000, for the preparation of feasibility studies for a south freeway frontage road, Hayden Road to Princess Drive, and for freeway interchange improvements at Pima Road.

Staff Contact(s): Mary O'Connor, Transportation General Manager, 480-312-2334, moconnor@scottsdaleaz.gov

17. Item No. 17 removed from the agenda prior to the meeting.

18. Legal Services Contract for City of Scottsdale v. Bruce Corey, et al.

Request: Adopt Resolution No. 6899 authorizing the Mayor to execute Contract No. 2003-166-COS-A4, an outside counsel contract renewal in a maximum amount of Thirty-five Thousand Dollars (\$35,000.00) with the law firm of Ayers & Brown, P.C. for legal services regarding representation of the City of Scottsdale in the litigation entitled *City of Scottsdale v. Bruce Corey, et al.*, Superior Court Case No. CV2000-017994, an eminent domain action brought to acquire real property for the McDowell Sonoran Preserve.

Related Policies, References: Resolution No. 6476

Staff Contact(s): Deborah Robberson, City Attorney, 480-312-2405, drobberson@scottsdaleaz.gov; Bruce Washburn, Assistant City Attorney, 480-312-2405, bwashburn@scottsdaleaz.gov

19. **Payment of Legal Expenses for Lemke, et al. v. City of Scottsdale, et al.**
Request: Adopt Resolution No. 6903 approving the payment of legal fees to Holloway Odegard Forrest Kelly & Kasperek P.C., in the defense and settlement of *Lemke, et al. v. City of Scottsdale, et al.* CV2003-014321, filed in the Maricopa County Superior Court.
Staff Contact(s): Deborah Robberson, City Attorney, 480-312-2405, drobberson@scottsdaleaz.gov

MOTION AND VOTE – CONSENT AGENDA

COUNCILMAN OSTERMAN MOVED FOR APPROVAL OF CONSENT AGENDA ITEMS 1 THROUGH 19, WITH THE EXCEPTION OF ITEMS 14 AND 17. COUNCILMAN LANE SECONDED THE MOTION, WHICH CARRIED 7-0.

ITEM 14 REMOVED FROM CONSENT AGENDA FOR SEPARATE DISCUSSION:

14. **Comprehensive Financial Policies for Financial Planning and Management**
Request: Adopt Resolution No. 6887 relating to Comprehensive Financial Policies as the formal guidelines for the City of Scottsdale's financial planning and management.
Staff Contact(s): Craig Clifford, Financial Services General Manager, 480-312-2364, cclifford@scottsdaleaz.gov

Responding to Councilman Lane, Mr. Clifford verified that financial policies are reviewed and adopted annually in conjunction with the City budget process. Councilman Lane said the financial policies should be better defined and presented, and suggested they be reviewed by the Audit Committee or the Budget Subcommittee before coming to Council.

MOTION AND VOTE – ITEM 14

COUNCILMAN LANE MOVED FOR APPROVAL OF ITEM 14, RESOLUTION NO. 6887, WITH AN AMENDMENT TO THE COMPREHENSIVE FINANCIAL POLICIES TO INCLUDE PRESENTATION OF ANNUAL REPORTS BY INDEPENDENT AUDITORS, INCLUDING ANY MANAGEMENT OR ENGAGEMENT LETTERS, TO THE PUBLIC AND CITY COUNCIL. COUNCILMAN LITTLEFIELD SECONDED THE MOTION, WHICH CARRIED 7-0.

REGULAR AGENDA

ITEMS 20-22

20. **Public Hearing on the Proposed 2006/07 Operating Budget and Capital Improvement Plan**
Requests:
1. Solicit public input relative to the Proposed FY 2006/07 Operating Budget and Capital Improvement Plan. The City Council receives public input relative to the Proposed FY 2006/07 Operating Budget and Capital Improvement Plan, and adopts the Tentative Budget Estimates in accordance with the Arizona State Statutes and the City Charter.
 2. Adopt Ordinance No. 3677 setting the City's maximum legal spending limit for FY 2006/07. The maximum expenditure limit established with the Tentative Budget Adoption may be reduced by City Council before the Final Budget Adoption takes

place. Under Arizona State law, once the Tentative Budget estimate is adopted, the City Council may not increase the maximum expenditure limit.

Staff Contact(s): Craig Clifford, Financial Services General Manager/CFO, 480-312-2364, cclifford@scottsdaleaz.gov; Art Rullo, Budget Director, 480-312-2435, arullo@scottsdaleaz.gov

Craig Clifford, Financial Services General Manager, provided a presentation on the Proposed FY 2006/07 Budget outlined as follows:

- Public Outreach Process
- Budget by Fund
 - Overall appropriation: \$1,355.2M
 - Operating Budgets - \$482M
 - Grant & Trust Budget - \$21M
 - Capital Project Budget - \$854.3M (\$481M rebudgeted from prior years)
- General Fund Revenues (top 3)
 - Privilege Tax \$121.3M
 - State Shared Revenues \$41.5M
 - Property Tax 20.1M
- General Fund Budget Summary for years 2003/04 through 2006/07
 - Public Safety Tax began in 2004/05, increasing revenues/expenditures by \$8M-\$10M annually
- General Fund Expenditures by Type
 - Personal Services \$170.4M
 - Contractual Services \$47.8M
 - Commodities \$10.3M
 - Capital Outlays \$0.9M
 - General Fund budget also includes Debt Service of \$6.0M
- General Fund Expenditures by Department
- Service Area Demands
 - Capital Project Related-Operating Impacts
 - Public Safety Enhancements
 - Citizen Services & Community Growth
 - Internal Service Demands
- General Fund Proposed New Staff – 62 Positions
- Other FY 06/07 Cost Drivers
 - Salary, benefit and staffing changes
 - Property liability insurance costs
 - Fleet – gas, oil, maintenance costs
 - Fleet – replacement
 - New facilities contractual maintenance costs
 - Mowing contractual services
 - Utilities – electric, gas and water costs
 - Info Technology license and maintenance costs
 - Fire service contracts for dispatch
 - Transfers to fund CIP
- Capital Budget by Project Type
- Location of Capital Projects
- CIP General Fund – New Projects
- General Fund Ongoing Projects
- General Fund Cash Summary

- Future Budget Considerations
- Tentative Budget Considerations (from Budget Subcommittee)

Mayor Manross opened public testimony.

Larry Heath, 8608 E Gail Rd, 85260, urged the Council to accept the Budget Subcommittee's recommendation for the Parks Department to maintain the Youth Sports Fields belonging to the School District.

David Peterson, 3811 N 44th St, 85018, representing Scottsdale Unified School District, agreed the level of maintenance of the ball fields needed to be increased, and proposed amending the IGA with the City to include new performance criteria. Mr. Peterson also requested financial help from the City to hire additional School District staff (two, two-man crews) dedicated solely to maintaining the twenty-nine fields, in conjunction with Parks staff.

Graham Kettle, 24925 N 114th St, 85255, expressed concern about not having a budget oversight committee, and said the 15% increase in costs is unacceptable.

Mark Soden, 8641 E Clydesdale Tr, 85255, McCormick Ranch Little League Board Member, encouraged support of the Parks Department taking over maintenance of all twenty-nine sports fields. Mr. Soden said the School District could not maintain the fields in a safe condition, and did not have enough resources.

Joel Bram'O weth, 7279 E Valley View, 85250, expressed support of the proposed budget, saying the City has unparalleled amenities, and the equity is pouring in.

Mayor Manross closed public testimony.

Council discussion:

- City Manager Jan Dolan clarified that Council did not need to choose a method for Youth Sports Field maintenance tonight, but would need to set aside the money if that was what the Council wanted to do. It was further discussed that while the School District had had discussions with Parks Department staff, their proposal and the numbers have not yet been reviewed in detail.
- The Council discussed funding the following tentative items recommended by the Budget Subcommittee, and agreed some merited further discussion prior to authorizing the funding. The proposed additions to the budget total \$4,435,815.
 - Youth Sport Field Maintenance - \$508,000 (to be approved by Council)
 - Downtown Marketing Program – \$228,090 (to be approved by Council)
 - Cultural Council requests - \$209,725
 - Healthcare Funding – \$1.3M - The City Manager recommended holding these funds in the Contingency Fund and transferring them when needed.
 - DC Ranch Community Park/Tennis Courts
 - TPC Desert Course Improvements
 - Helicopter Program
 - Villa Monterey Golf Course Property – Capital transfer of \$2M, and annual operating expense of \$150,000 for one year
 - Maricopa County Human Services Campus \$40,000
- Discussion was held regarding fully funding all requests by the Cultural Council for one year, versus five years. It was noted that Cultural Council budget requests are subject to annual reviews and approvals for ongoing costs. It was stated that the Cultural Council

has challenged itself to substantially increase charitable contributions from the private sector and lessen support by the City. It was also reiterated that refinements are needed in the Cultural Council's contract with the City to include these types of components above and beyond the contract.

- Discussion was held regarding the necessity for metal detectors at City Hall. Staff suggested leaving the money in the budget, completing an equipment and security needs assessment with the Police Department and City employees, and reporting back to Council with suggestions.

MOTIONS AND VOTES – ITEM 20

COUNCILMAN LANE MOVED TO ACCEPT THE BUDGET SUBCOMMITTEE TENTATIVE BUDGET CONSIDERATIONS LIST WITH THE EXCEPTION OF THE CULTURAL COUNCIL REQUESTS AND CITY HALL SECURITY; AND INCLUDING THE PROVISION THAT THE YOUTH SPORTS FIELDS MAINTENANCE AGREEMENT AND DOWNTOWN MARKETING PROGRAM RETURN TO THE COUNCIL FOR FINAL CONSIDERATION. COUNCILMAN LITTLEFIELD SECONDED THE MOTION, WHICH CARRIED 7-0.

COUNCILMEMBER DRAKE MOVED TO FUND THE TWO ADDITIONAL ONGOING CULTURAL COUNCIL BUDGET REQUESTS OF \$250,000 FOR THEATER 4301 AND \$53,757 FOR THE SMOCA COLLECTION PRESERVATION IN THE FY 2006/07 BUDGET. COUNCILMAN OSTERMAN SECONDED THE MOTION, WHICH CARRIED 5-2, WITH COUNCILMEMBERS LITTLEFIELD AND LANE DISSENTING.

COUNCILMAN ECTON MOVED TO LEAVE CITY HALL SECURITY FUNDING IN THE FY 2006/07 BUDGET PENDING FURTHER REVIEW. COUNCILMAN OSTERMAN SECONDED THE MOTION, WHICH CARRIED 6-1, WITH COUNCILMAN LANE DISSENTING.

Ms Dolan requested clarification regarding funding for the Cultural Council, noting that a one-time cost of \$24,450 for assessment of the museum collection, as recommended by the Budget Subcommittee, was inadvertently omitted. Councilmember Drake said it was her intention to approve all the requests.

COUNCILMEMBER DRAKE MOVED TO INCLUDE THE ONE-TIME COST OF \$24,450 FOR FUNDING OF THE CULTURAL COUNCIL ASSESSMENT OF THE MUSEUM COLLECTION. COUNCILMAN OSTERMAN SECONDED THE MOTION, WHICH CARRIED 6-1, WITH COUNCILMAN LITTLEFIELD DISSENTING.

COUNCILMAN OSTERMAN MOVED TO ADOPT ORDINANCE NO. 3677 AS AMENDED. COUNCILMAN ECTON SECONDED THE MOTION, WHICH CARRIED 7-0.

21. Public Hearing and Adoption of Rates and Fees Requests:

1. Accept citizen comments at a public hearing regarding proposed rates and fees.
2. Adopt Ordinance No. 3671 and Resolution No. 6862 amending Scottsdale Revised Code Chapters 24 and 49 for *Water, Sewer, and Solid Waste Fees*, by 1) increasing water rate revenues 5.5 percent effective November 1, 2006; increasing sewer rate revenues 6.0 percent effective July 1, 2006; and increasing solid waste fees 2.5 percent effective July 1, 2006; and 2) implement administrative changes.

3. Adopt Ordinance No. 3672 and Resolution No. 6867 approving and adopting fees related to select Fire Department services, per document titled "Fees and Charges for Services by the Fire Department."
4. Adopt Resolution No. 6889 approving and adopting a 2.0 percent increase, with rounding, to certain Planning and Development Services fees, effective July 1, 2006; and a reduction of Planning and Development Services sign permit fees, effective July 1, 2006.
5. Approve Ordinance No. 3668 amending Scottsdale Revised Code Chapter 2 Section 137 by 1) increasing the bank returned check fee from \$15 to \$25 and 2) allowing the fee to be charged on all forms of electronic payments accepted by the City and 3) allowing a fee waiver in situations in which the payment was dishonored for reasons beyond the maker's control.

Related Policies, References:

- Resolution No. 6674: A Resolution of the City of Scottsdale, Arizona, Establishing Financial Policies Section 1. Operating Management Policy Number 8: "Enterprise (Water, Sewer, Solid Waste Management, and Airport) user fees and charges will be examined annually to ensure that they recover all direct and indirect costs of service and be approved by City Council." "Rate adjustments for enterprise operations will be based on five-year fund plans."
- Resolution No. 6674: A Resolution of the City of Scottsdale, Arizona, Establishing Financial Policies Section 1. Operating Management Policy Number 9: "All non-enterprise user fees and charges will be examined annually to determine the direct and indirect cost of service recovery rate. The acceptable recovery rate and any associated changes to user fees and charges will be approved by the City Council."
- Water and Sewer Rates and Fees, Scottsdale Revised Code, Chapter 49
- Solid Waste Rates and Fees, Scottsdale Revised Code, Chapter 24
- Building and Development Fee Schedule, Scottsdale Revised Code, Chapter 46
- City of Scottsdale Official Schedule of Rates and Fees
- Non-Sufficient Funds (Bank Returned Check) Fee: City Code Section 2-137; The Supreme Court of the State of Arizona Administrative Order 99-64; Arizona Revised Statute 44-6852.

Staff Contact(s): Craig Clifford, Chief Financial Officer, 480-312-2364, cclifford@scottsdaleaz.gov; Dave Mansfield, Water Operations General Manager, 480-312-5681, dmansfield@scottsdaleaz.gov; Mary O'Connor, Transportation General Manager, 480-312-2334, moconnor@scottsdaleaz.gov; Willie McDonald, Fire Chief, 480-312-1880, wmcdonald@scottsdaleaz.gov; Frank Gray, Planning and Development General Manager, 480-312-2890, fgray@scottsdaleaz.gov

Craig Clifford provided a presentation outlined as follows:

- Rates and Fees Overview
- Enterprise Rates Water and Sewer Fund
 - Proposed Water Rate Change of 5.5% effective November 1, 2006
 - Proposed Sewer Rate Change of 6% effective July 1, 2006
- Enterprise Rates Solid Waste and Aviation Funds
 - Proposed Solid Waste Rate Change of 2.5% effective July 1, 2006
 - No Proposed Change for Aviation
- Monthly Increase – Typical Utility Bill = \$2.83
- Enterprise Rates Administrative Changes
- Non-Enterprise User Fees and Charges
 - Fire Department

- Financial Services
- Planning and Development Services

MOTION AND VOTE – ITEM 21

COUNCILMAN ECTON MOVED TO ADOPT ORDINANCE NO. 3671 AND RESOLUTION NO. 6862; ADOPT ORDINANCE NO. 3672 AND RESOLUTION NO. 6887; AND ADOPT RESOLUTION NO. 6889 AND ORDINANCE NO. 3668. COUNCILMAN LANE SECONDED THE MOTION, WHICH CARRIED 7-0.

22. Appaloosa Library Site Selection

Request: Review and approve the location of the proposed Appaloosa Branch Library.

Related Policies, References:

- Community Services Facilities Master Plan, January 2004, Pages 87-93
- Case 7-GP-205
- Silverstone Case 15-ZN-205
- IGA 2001-094-COS for the Reciprocal Borrowing Program

Staff Contact(s): Debra Baird, Community Services General Manager, 480-312-2480, dbaird@scottsdaleaz.gov; Rita Hamilton, Library Director, 480-312-7039, rahamilton@scottsdaleaz.gov

Library Director Rita Hamilton discussed three potential sites for location of the Appaloosa Library. Ms. Hamilton identified the selection of the Silverstone as the site that best met the site evaluation requirements.

- The DC Ranch site is not viable for a number of reasons listed in the report.
- The Grayhawk site has insufficient land area.
- The Silverstone site, located at Scottsdale and Pinnacle Peak Roads, has 4.48 acres dedicated to the City by the developer for municipal use purposes.

Mayor Manross opened public testimony.

Camille Schmidt, 19868 N 84th Way, 85255, spoke in favor of the Silverstone site due to its easy access, and because it would serve the western side of Scottsdale. Ms. Schmidt also noted that the proposed development contains a senior residence, and seniors are large users of libraries.

Jean Knoedler, 12659 N 146th Way, 85259, expressed support of the Silverstone site, noting population is growing fast in this location, and it is also near elementary and middle schools.

Mayor Manross closed public testimony.

Council discussion:

- Vice Mayor McCullagh believes this is the wrong location for a library as it will serve more Phoenix residents than Scottsdale residents. He believes that with traffic issues on Scottsdale Road, and populated areas further east, the DC Ranch area makes more sense.
- Other Council members pointed out this library would still serve at least 60,000 Scottsdale residents who have no libraries or amenities in close proximity.
- Other Council members agreed the price is right for this property, as it is valued at about \$3M-\$4M and is being donated by the developer.

- It was pointed out that the City's IGA with Maricopa County Library District generates revenue to offset costs of non-resident use of Scottsdale libraries.

MOTION AND VOTE – ITEM 22

COUNCILMAN OSTERMAN MOVED TO APPROVE ITEM 22, OPTION A, THE APPALOOSA LIBRARY SITE SELECTION OF SILVERSTONE. COUNCILMEMBER DRAKE SECONDED THE MOTION, WHICH CARRIED 6-1, WITH VICE MAYOR MCCULLAGH DISSENTING.

CITY MANAGER'S REPORT - None

MAYOR AND COUNCIL ITEMS

23. Legislative Update

Update: Provide updates to the City Council and receive possible direction regarding current and pending State legislative issues and policies.

Related Policies: Pursuant to the 2006 State Legislative Agenda adopted by the City Council on December 13, 2005

Staff Contact(s): Neal Shearer, Assistant City Manager, 480-312-2604, nshearer@scottsdaleaz.gov; Bridget Schwartz-Manock, Intergovernmental Relations Director, 480-312-2423, bschwartzmanock@scottsdaleaz.gov

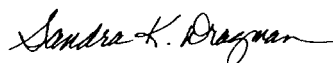
Staff provided updates on the following legislative issues:

- The Legislature is focused on the State budget and immigration reform issues.
 - There has been talk of property and income tax cuts, but no specific budget proposals.
 - There has been talk of repaying the \$118M the State borrowed from HURF Funds.
 - Councilman Lane expressed that state-shared revenues would actually be increasing by 54% over the next three years, so there would be a reduction of that increase, not a real cut.
 - City Manager Jan Dolan reiterated that the City is not opposing an income tax reduction, but is lobbying to maintain the City's State-shared revenues.
- SB 1146 – Photo Enforcement – awaits a vote in the House Rules Committee.

ADJOURNMENT

With no further business to discuss, the meeting adjourned at 9:19 P.M.

SUBMITTED BY:



Sandy Dragman
Recording Secretary

REVIEWED BY:



Carolyn Jagger
City Clerk

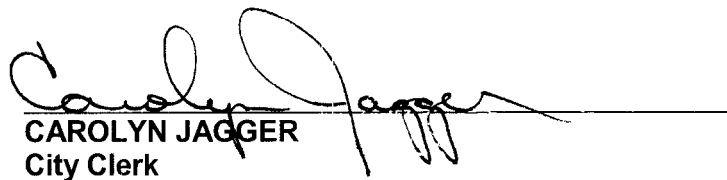
Officially approved by the City Council on 06/06/06

C E R T I F I C A T E

I hereby certify that the foregoing Minutes are a true and correct copy of the Minutes of the Regular Meeting of the City Council of Scottsdale, Arizona held on the 15th day of May 2006.

I further certify that the meeting was duly called and held, and that a quorum was present.

DATED this 6th day of June 2006.


CAROLYN JAGGER
City Clerk